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Ontario

Ministry of
Housing

Government
Publication

Annual Report 1976/77



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Ministry of
Housing

Parliament Buildings
Queen's Park
Toronto Ontario

THE HONOURABLE
PAULINE M. McGIBBON, Q. C., LL. D., D. U. (OTT.)
Lieutenant Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

I have the privilege of presenting, for the information of Your Honour and the Legislative Assembly, the Annual Report of the Ministry of Housing for the fiscal year beginning April 1, 1976 and ending March 31, 1977, which includes the Annual Reports of Ontario Housing Corporation and Ontario Student Housing Corporation for the calendar year 1976, and the Annual Report of Ontario Mortgage Corporation for the period April 1, 1976 to March 31, 1977.

Respectfully submitted,

A handwritten signature in cursive script, reading "John R. Rhodes".

JOHN R. RHODES
Minister



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Office of the
Deputy Minister

Ministry of
Housing

416/965-3411

Hearst Block
Queen's Park
Toronto Ontario
M7A 2K6

The Honourable John Rhodes
Minister of Housing

SIR:

I have the honour to submit for your approval
the 1976/77 Annual Report of the Ministry of
Housing.

Respectfully submitted,

A handwritten signature in cursive script, reading "D. Crosbie".

DONALD A. CROSBIE
Deputy Minister

Policy and program development secretariat

The secretariat initiates, directs and undertakes research and program development work, monitors related activities within the government and the private sector to provide policy and program development advice to the ministry.

Policy development

The policy development area evaluates and designs alternatives to present ministry policies and programs and formulates new approaches to enable the ministry to pursue its goals more effectively.

During the year, this group dealt with several policy areas including the design and integration of provincial programs to complement federal programs such as the Assisted Rental Construction Grant Program. Further, the group was involved in housing market analysis and projections, the development of an Ontario housing model, rent review, and program evaluation.

Management planning and evaluation

This group is responsible for the development and implementation of the ministry's management reporting and the planning and control systems. The major functions are to co-ordinate the ministry multi-year plan estimates, manage the management by results process within the ministry, and monitor program delivery systems, and assess their effectiveness.

Surveys and statistical analysis

This section provides the statistical and survey research base for the ministry and furnishes much of the background data necessary for policy development. It also administers the municipal housing policy program and related grants.

In addition to the municipalities which received housing statement grants (see following table), 12 municipalities were given direct technical assistance in the preparation of municipal housing statements.

Intergovernmental policy liaison

This activity provides an important information link by ensuring the ministry is aware of and responds to changing housing policy and program issues at the federal, provincial and municipal levels of government.

External studies

Two studies were financed and published by the secretariat during the period under review. These were *Ontario Housing Requirements*

1976-2001 and a Rental Market Survey Ontario Cities.

Special projects

The ministry was identified as "lead ministry to plan and co-ordinate the full development of a resource community Northern Ontario (Madsen) which has economic base. The plan will enable residents to own their own houses and to manage community's affairs. A secretariat staff member was put in charge of this project.

Municipal housing study grants committed as of March 31, 1977

Barrie	\$ 10,000	Orillia
Brantford	15,000	Oshawa
Brantford Township	7,500	Oxford County
Brockville	7,500	Paris
Bruce County	30,000	Penetanguishene
Carleton Place	5,000	Peterborough
Chatham	10,000	Port Colborne
Cochrane	5,000	Port Stanley
Cornwall	10,000	Prescott
Deep River	5,000	Red Lake
Elliot Lake	5,000	Renfrew
Fergus	4,600	Richmond Hill
Guelph	15,000	St. Catharines
Hawkesbury	6,000	St. Thomas
Iroquois	5,000	Sarnia
Kingston	15,000	Scarborough
Kirkland Lake	7,500	Smiths Falls
Lincoln	7,500	Stratford
Lindsay	7,500	Strathroy
London	20,000	Sudbury (Region)
Michipicoten	5,000	Toronto
Muskoka	27,400	Metro Toronto
Niagara (Region)	30,000	Trenton
Niagara Falls	15,000	Wallaceburg
Niagara-on-the-Lake	7,500	Waterloo (Region)
North Bay	15,000	Welland
N. Himsforth	5,000	White River
Orangeville	7,500	Windsor

Total:

l Opportunity Program

Opportunity Program in the fiscal year concentrated on implementing systems which ensure that the program would have an impact. This institutionalization was approached by making individual managers responsible for identifying and setting targets in their respective operations. This was formalized at the end of the fiscal year with the introduction of management by objectives.

The coordinator's office carried out several reviews of legislation including a review of executive career paths, the review of child-care responsibilities, a review of human rights, and a research paper on the need for equal pay for work of equal value.

In addition, the office monitored competitions, maintained an inventory of women, fostered communications and a high level of program visibility, and evaluated results based on the recommendations of the Affirmative Action Plan for the ministry set out in January, 1976.

In terms of results, women were successful in 142 of the 204 competitions held. Although most of the positions where women were successful were in the general services category, a number of breakthroughs were noted particularly in the development and housing management areas. The planning wing maintained a high representation of females in professional and managerial positions, and several senior professional positions elsewhere in the ministry went to women. All types of staff training and development opportunities were becoming increasingly available to women.

The program is at the stage of being incorporated into ongoing management systems and the coming year will provide the most accurate feedback to date of the extent to which current initiatives are sufficient in meeting the needs of both the organization and its female employees.

Ontario Housing Action Program

The Ontario Housing Action Program (OHAP) was originally designed as a two-year program scheduled to end on March 31, 1976. It met with considerable success and therefore was extended.

The program has been integrated with the planning wing of the ministry in order to facilitate a continuing co-ordination of housing and planning objectives. Its geographical area has been extended to cover most urban areas of Ontario with emphasis on specific areas where the program can be best put to use.

In 1976, OHAP continued to focus its activities in eight regions where the housing market has been especially difficult for new purchasers. These regions were Durham, Haldimand-Norfolk, Halton, Hamilton-Wentworth, Metro Toronto, Ottawa-Carleton, Peel, York, the cities of Sault Ste. Marie and Thunder Bay and the Sarnia urban area.

OHAP had a staff of 17 in 1976. This included six field co-ordinators, their secretaries and seven Toronto-based support staff.

Capital housing incentive grants

This program intended to encourage municipalities to speed up final subdivision approval by off-setting possible increases in municipal taxes due to new housing development. The program was a success in this area and as a result of changes in municipal attitudes to housing developments, and the introduction of similar federal grants, it was terminated.

A total of \$9,439,318 was paid out in 1975. In 1976, \$10,792,452 was paid out in grants on a total of 31,165 units on final approval and 9,110 units on building permits.

Municipal housing study grants

In the fiscal year 1976/77, 14 new studies were funded through OHAP, with a total financial commitment of \$504,475 to assist regional and area municipalities in determining and meeting their housing objectives. Areas of study included secondary plans, engineering services and housing policy formulation. In addition, six grants totalling \$71,149 were approved to complete or extend studies approved in prior years. Total cash flow

on study grants in 1976/77 amounted \$1,069,253. At year end, 21 studies were in progress with an outstanding cash commitment of \$198,856. Twenty-seven studies were completed and received by municipal councils during the year.

Interest-free loans

OHAP provides interest-free loans to municipalities for their share of the full range of hard services needed for development through the program.

Accelerated construction schedules for hard services are included in agreements between the ministry and municipalities for the provision of interest-free financing.

In 1976/77, 12 interest-free loans were approved totalling \$29,513,000. Of this total, \$12,283,996.05 was advanced to municipalities during the year.

The loans are repayable in full, five years after the debt is incurred.

Following is a breakdown by municipality of potential units to be serviced by loans approved during fiscal 1976.

OHAP interest-free loans approved fiscal 1976

Municipality	Purpose	Potential Units
Durham	Sanitary, storm, water, road	(120 acres)
	Sewage treatment plant	11,500
Oshawa	Storm drainage	4,500
Halton	Sewer and flood control	20,000
Hamilton-Wentworth		
Dundas	Water and sewer	2,148
Stoney Creek	Water and sewer	6,031
Flamborough	Sewage treatment plant	800
Ottawa-Carleton		
Ottawa	Sewer	5,400
Cumberland	Storm drainage	2,800
Peel	Water	15,000
Sault Ste Marie	Trunk sewer	600
Thunder Bay	Flood control	1,200
Total		69,979

Housing Incentive Grants paid on fiscal 1976 approvals and starts:

Municipality	No. Developments	Units		Grants Paid
		Approvals/Bldg.	Permits	
Amherst	3	57	812	433,275
Barnstable	1	1,051	—	248,287.5
				681,562.5
Barnstable and Norfolk	16	707	28	165,375
Beverly	4	1,581	331	574,050
Boston-Wentworth				
Beverly	6	—	499	261,000
Boston	3	1,767	—	430,650
Beverly	2	176	42	65,287.5
Cape Cod	8	2,593	127	659,325
				1,416,262.5
Toronto				
Borough	3	1,127	523	605,100
Toronto	18	1,854	941	822,300
Coke	1	128	—	38,400
				1,465,800
Wentworth-Carleton				
Wentworth	4	3,565	444	982,312.5
Carleton	4	5,398	350	1,430,250
Chatham	1	1,478	—	360,262.5
Westchester	4	1,550	288	552,937.5
Bourne	3	1,911	—	466,312.5
Berland	2	1,645	—	400,987.5
				4,193,062.5
Mississauga	4	—	1,012	416,775
Northampton	18	4,372	3,142	1,684,977
				2,101,752
St. Marie	1	62	95	36,112.5
	4	143	194	90,037.5
St. Mary's Bay	4	—	282	68,437.5
	114	31,165	9,110	10,792,452

Plans administration division

Plans administration division (PAD), through its three branches: subdivisions, official plans, and operations and development control, is responsible for administering a wide range of approval functions provided under the Planning Act. In addition, PAD provides technical planning advice to the Ontario Municipal Board, the provincial cabinet and other government bodies involved in land-use planning.

Subdivisions branch

Subdivisions branch is responsible for the approval of plans of subdivision and plans of condominium (except where the approval authority has been delegated to regional

municipalities). The branch is also responsible for the referral of such plans to the Ontario Municipal Board as necessary.

Official plans branch

Official plans branch evaluates and makes recommendations on applications made to the minister for approval of official plans, amendments to official plans, and the referral of such matters to the Ontario Municipal Board. The branch also evaluates and recommends the endorsement of interim land severance and interim planning policies to the minister and reviews housing policy statements.

Operations and development control branch

The operations and development control branch was created as part of the recent reorganization of the plans administration division. The development control section monitors and reviews a wide range of local bylaws and administers provincial land controls. The operations review section provides support function and administrative services to the division as a whole.

Annual statistics — fiscal 1976-77

	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	Total 1976
Official plans													
Proposed O.P.'s rec'd	0	1	0	1	5	4	1	0	5	1	0	2	20
Proposed O.P. amend rec'd	34	40	45	59	45	47	46	54	52	30	46	50	548
O.P. approved	0	4	3	2	0	2	5	3	0	1	2	1	23
O.P. partially approved	0	1	1	1	3	5	3	1	3	0	5	2	25
Amendments approved	43	34	36	27	39	37	46	47	32	31	29	23	424
Amendments partially approved	5	2	5	6	3	4	6	3	0	0	2	1	37
O.P. referred to O.M.B.	1	4	0	0	0	2	2	0	1	3	1	2	16
Subdivision & condominium													
Subdivision appl'ns rec'd	67	72	70	47	63	58	57	78	74	50	65	74	775
Draft approval	44	67	76	54	42	73	57	66	58	44	65	47	693
Final approval	53	56	58	32	46	42	49	35	53	24	37	29	514
Condominium appl'ns rec'd	36	30	39	31	43	36	24	40	34	18	16	28	375
Draft approval	24	26	34	27	28	35	45	35	34	17	22	32	359
Final approval	11	14	18	15	16	23	26	23	40	23	32	20	261
Submissions of Del. regions	31	28	32	37	21	31	23	31	41	24	29	37	365

Statistics — fiscal 1976-77

	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	Total 1976	Total 1975
Verance														
er's consents rec'd	171	205	189	168	145	128	131	160	109	127	169	197	1,899	2,016
er's consents ted	67	146	103	45	50	120	111	96	76	127	126	83	1,150	1,179
ssions from C/A	575	577	805	741	646	602	605	578	414	166	202	102	6,013	6,461
ssions from L.D.C.	1,032	1,390	1,386	1,556	1,364	985	1,026	1,132	629	479	272	208	11,459	15,761
ls to O.M.B.	2	3	7	3	0	0	0	0	0	0	0	0	15	58
tion														
s rec'd	8	5	10	3	9	13	5	2	5	4	4	3	71	95
issued	3	4	3	3	28	13	8	16	3	2	6	2	91	66
order														
ered	1	0	0	0	0	0	0	0	0	0	0	0	1	142
lments rec'd	89	72	189	102	91	63	47	61	43	32	54	99	942	903
lments processed	16	72	58	62	29	37	31	71	44	23	209	130	782	1,237
. & amend B.L. rec'd	228	249	257	269	281	207	177	147	149	122	131	160	2,377	2,695
. B.L. commented on	2	2	0	0	0	1	—	—	—	—	—	—	5	13
d B.L. commented on	142	177	187	152	28	62	136	152	195	287	135	195	1,843	1,271

Community planning advisory branch

The community planning advisory branch (CPAB) is a decentralized operation with offices in Ottawa, London, Sudbury, Thunder Bay and Toronto. It is responsible for the promotion of community planning through the provision of educational activities, direct financial and technical assistance and advisory services. To minimize duplication in the planning process, a heavy emphasis is placed on those areas without planning staff or with insufficient full-time staff.

Educational activities

In 1976/77, the branch organized 56 educational activities varying in scale from a province-wide planning directors conference to a series of regional seminars in conjunction with Queen's University to local municipal staff workshops dealing with a variety of planning and housing-oriented topics. Staff of the branch also participated in 90 other educational activities sponsored by various public and private sector agencies.

Technical assistance

CPAB offers professional planning assistance to many Ontario municipalities on a no-cost consultant basis. During 1976/77 three official plans were produced; 68 zoning bylaws or bylaw amendments; 43 terms of reference for planning studies; and 44 other documents including planning appraisals; interim planning policy documents and subdivision agreements.

The branch also reviews draft planning documents by request, prior to their submission to the ministry or the Ontario Municipal Board for approval.

Community planning study grants

CPAB administered a \$1.75 million grant program in 1976/77 designed to assist those municipalities with limited financial resources and planning staff to embark upon or complete a local planning program.

In 1976/77, 425 municipalities received provincial commitments for \$1,303,235.

These commitments were given to produce a variety of documents which totalled 226 in number.

Preliminary planning studies	4
Interim planning documents	6
Official plan documents (new or revised, major amendments or secondary plans).....	84
Zoning bylaw documents (new or revised, major amendments; bylaws to replace minister's zoning orders)	106
Special planning studies	26

Other activities

- The branch recommended to the ministry the establishment of, or alterations to, planning areas in six cases. Advice was provided on the definition, constitution and procedures of various planning boards.
- Branch staff actively represented the ministry on 35 planning studies.
- Comments were provided on a selective basis to the plans administration division from a local perspective on the appropriateness and adequacy of planning documents submitted for approval.
- Branch staff also performed an important liaison role with federal agencies and other provincial ministries located in various regions, as well as the local municipalities and public at large on matters of mutual concern.

al planning policy branch

y, 1976, the community planning policy functions were concentrated within the local planning policy

tions and activities

branch is divided into three sections; programs and special studies. The section develops and recommends provincial policy and legislation in the city planning field. The programs are responsible for developing policy and standards on specific local planning activities, such as subdivision design, land-use policy, aircraft noise, official plan social policies, the control of noise through zoning, and public participation. The special studies section undertakes projects of an analytical nature, providing the basic research elements of the branch.

Report of the Planning Act Review Committee

The policy section provided technical and research support to the Planning Act Review Committee. The three-man committee, chaired by Eli Comay, undertook a comprehensive review of the nature and process of municipal planning in Ontario. The committee held more than 75 meetings with the public and interest groups, received over 300 submissions and undertook or commissioned studies into specific planning questions.

Urban development standards

This study released in April, 1976, proposed ways of reducing housing costs by lowering the high planning and engineering standards applied to new subdivisions. The ministry is encouraging municipalities to adopt the study's proposals.

Lakeshore Capacity Study

The special studies section has responsibility for managing the Lakeshore Capacity Study. It is an interministerial study with participation by the Ministries of the Environment and Natural Resources. The objective of this research is to develop a predictive model, or series of models, to evaluate the impact of proposed cottage development on land and lake environments.

The work focuses on the environmental impact of lakeshore development, e.g. impact on water quality, fisheries and wildlife. Since natural ecological processes are involved and field data for several summer seasons are required to provide a scientific base, the study is scheduled over a six-year period, to 1981.

Community renewal branch

The community renewal branch is responsible for administering the following provincial and federal-provincial programs designed to upgrade the existing housing stock in Ontario, and to help generate programs that will improve the total urban environment for these homes.

Neighborhood Improvement Program (NIP)

NIP offers grant and loan assistance to municipalities to upgrade older residential neighborhoods under the terms of an annual federal provincial agreement.

Ontario municipalities that participate in the program are selected in consultation with the municipal liaison committee.

In 1976, 26 Ontario municipalities received allocation of federal dollars totalling \$15.5 million. Under the cost sharing formula, the minimum accompanying provincial contribution will be \$7.7 million.

Ontario Home Renewal Program (OHRP)

OHRP provides per capita grants to municipalities to administer directly as loans to owner occupants in that municipality whose adjusted annual family income is no greater than \$12,500, for the repair of faulty structural and sanitary conditions and the upgrading of the plumbing, heating, insulation and electrical systems of the residences of the owner occupant.

In 1976/77, 356 Ontario municipalities received per capita grants totalling \$18,054,294. Since OHRP commenced in late 1974, 474 municipalities have entered the program.

In unorganized communities, OHRP is administered through provincial northern affairs offices. Homeowners in these areas received 282 loans totalling \$1,421,108.

Ontario Home Renewal Program (Rental)

This is an experimental, limited fund program designed to help landlords upgrade rental premises occupied primarily by tenants with low and moderate incomes.

OHRP (Rental) is directed to the rehabilitation of substandard dwelling units, with emphasis on faulty structural and sanitary conditions as well as upgrading of plumbing, heating, insulation and electrical systems.

In 1976/77, 28 municipalities were issued grants totalling \$2 million.

Ontario Downtown Revitalization Program

This program is designed to help eligible municipalities with a maximum population of up to 125,000 receive public investment for seeding projects to restore confidence in a community's core area.

Subject to the availability of funds, the province will provide assistance in the form of partially recoverable loans up to a maximum two-thirds of the approved cost of the project. Such a project must generate additional revenue to the municipality in the form of rents and/or taxes.

Eligible costs include:

- The acquisition and/or clearance of land for a revitalization project.
- Acquisition and rehabilitation of an existing key anchor building.
- Installation of a public open or covered mall or semi-mall.
- Improvement to ancillary services such as water, sewers and/or roads where such improvement will result in revitalization.

Total provincial recovery will be limited to 100 per cent of the initial two-thirds contribution. However, repayment is contingent upon additional revenue being created for the municipality. There is no period for this loan.

This new program was announced by the minister in September, 1976. At the present time, four municipal projects have received ministerial approval-in-principle: Tillsonville, Thunder Bay (Fort William), Vanier and Cornwall.

North Pickering land acquisition and management branch

land management and acquisition functions in the North Pickering planning area were transferred on Dec. 1, 1976, from the North Pickering Development Corporation to this branch of the Ministry of Housing. This transfer permits the development corporation to concentrate on its primary role of planning and developing a new community on the 6,800-acre portion of the 25,200-acre North Pickering planning area.

Rehabilitation of Whitevale Dam

Work on the rehabilitation of Whitevale Dam, located in the north-central portion of the planning area, was completed early in 1977. In the years, Whitevale Dam has provided a valuable environmental and recreational asset as well as a water reservoir for protection purposes.

Transfer of provincially owned houses

Consistent with government policy to return provincially-owned residential properties to private ownership in five hamlets in the North Pickering planning area, 25 houses were

offered for sale during the fiscal year, resulting in the sale of 11. Additionally, the ministry completed eight agreements with former owners to sell back their houses for relocation to future housing areas in the new community. Ground leases executed with the former owners provided that the houses can remain in their present locations until serviced lots are available in the community.

Property acquisition

As at March 31, 1977, final settlements had not been reached with the former owners of 228 properties which had been expropriated. Pursuant to the provisions of the Expropriations Act, the property owners had been paid 100 per cent of the province's estimate of market value without prejudicing their rights to seek further compensation at arbitration hearings before the Ontario Land Compensation Board. A total of 31 former owners had formally applied to the board for arbitration by March 31, 1977; in six cases, dates had been set for commencement of hearings.

Ombudsman's report

As the result of recommendations to the Legislature by the Select Committee on the Ombudsman dealing with the Ombudsman's report on land sales in North Pickering, a commission into North Pickering land sales, established under the Public Inquiries Act, commenced hearings on Jan. 24, 1977. The cases referred to the commission are those in which the Minister of Housing disagreed with the conclusions of the Ombudsman. In addition, any other cases mentioned in the Ombudsman's report in which five provincial land acquisition agents were involved would be dealt with by the commission. Investigation would be reopened by the Ombudsman into 16 cases named in his report, together with any additional complaints lodged with him. At March 31, 1977, the commission hearings and the reopened investigation by the Ombudsman's office were continuing.

North Pickering land acquisition and management branch summary of lease data March 31, 1977

		Urban	Agricultural	Hamlets	Open space	Total
Leases	Parcels	6	11	4	6	27
	Acreage	42.353	132.614	2.424	34.331	211.722
Industrial leases	Parcels	97	124	41	86	348
	Acreage	480.314	394.958	23.283	395.059	1,293.614
Leases	Parcels	118	234	—	91	443
	Acreage	5,165.331	7,791.117	—	3,425.353	16,381.801
Commercial leases	Parcels	16	17	7	2	42
	Acreage	368.064	202.457	4.968	109.810	685.299
Leases	Parcels	7	1	—	—	8
	Acreage	10.851	0.500	—	—	11.351
	Parcels	123	125	37	65	350
	Acreage	1,200.798	637.641	16.529	605.768	2,460.736
	Parcels	367	512	89	250	1,218
	Acreage	7,267.711	9,159.287	47.204	4,570.321	21,044.523
	Rentals received per month	\$36,548.04	\$47,881.46	\$11,074.16	\$28,271.80	\$123,775.46

Ontario Student Housing Corporation

Financial Statements and Report on the Audit Year ended December 31, 1976

ONTARIO STUDENT HOUSING CORPORATION
Incorporated without share capital under The Housing Development Act

Balance Sheet December 31, 1976

	1976	1975
ASSETS		
Cash	\$ 3,399,922	\$ 149,356
Accounts receivable	685,623	479,473
Funds due from Ontario Housing Corporation	-	1,865,173
Recoverable losses on housing operations (Note 4)	9,874	109,584
Mortgage receivable	3,471,927	3,484,035
Investment in rental housing properties on leased land, at cost, less educational institutions' equity of \$1,844,992; 1975 - \$1,602,594 (Note 3)	66,711,393	67,356,487
Rental housing property, at cost, less accumulated amortization of \$325,414; 1975 - \$267,192 (Note 4)	<u>11,464,892</u>	<u>11,523,114</u>
	<u>\$85,743,631</u>	<u>\$84,967,222</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,944,551	\$ 3,081,473
Funds due to Ontario Housing Corporation	774,507	-
Holdbacks on construction contracts	22,980	28,980
Debentures and similar indebtedness - Central Mortgage and Housing Corporation	73,364,086	73,179,769
Capital indebtedness to the Treasurer of Ontario	8,547,327	8,600,400
Deferred income (Note 2a)	<u>90,180</u>	<u>76,600</u>
	<u>\$85,743,631</u>	<u>\$84,967,222</u>

See notes to financial statements.

On behalf of the Board:


Director


Director

ONTARIO STUDENT HOUSING CORPORATION

Statement of Funds Due to Ontario Housing Corporation Year ended December 31, 1976

	1976	1975
Funds due from Ontario Housing Corporation, beginning of year	\$1,865,173	\$1,906,627
Add: Net operating loss for the year	<u>112,941</u> 1,978,114	<u>3,587</u> 1,910,214
Less: Funds transferred during the year - net	<u>2,767,901</u> (789,787)	<u>34,539</u> 1,875,675
Add: Transfer of net revenue on housing operations for the year to Deferred Income (Note 2a)	15,280	-
Less: Transfer of net loss on housing operations for the year to Recoverable Losses on Housing Operations (Note 4)	<u>-</u>	<u>10,502</u>
Funds (due to) due from Ontario Housing Corporation, end of year	<u>\$ (774,507)</u>	<u>\$1,865,173</u>

See notes to financial statements.

SCHEDULE 1

NORTH PICKERING DEVELOPMENT CORPORATION

Deferred Plan Development Costs

as at March 31, 1977

	1977	1976	Total
Salaries and benefits	\$ 604,466	\$ 7,274	\$ 611,740
Transportation and communication	29,733	-	29,733
Supplies and equipment	24,430	-	24,430
Other administrative expenses	80,637	2,662	83,299
Planning consultants and studies	<u>186,200</u>	<u>-</u>	<u>186,200</u>
Total	<u>\$ 925,466</u>	<u>\$ 9,936</u>	<u>\$ 935,402</u>

See notes to financial statements.

NORTH PICKERING DEVELOPMENT CORPORATION

Notes to Financial Statements

March 31, 1977

1. BASIS OF OPERATIONS

The Corporation was created to prepare the Plan for Development and develop the North Pickering Planning Area in accordance with the Plan.

Title to lands in the North Pickering Planning Area is presently held by the Ontario Land Corporation and in due course the Corporation will acquire title to certain of these lands in its own name and assume the corresponding indebtedness to the Treasurer of Ontario.

2. ACCOUNTING POLICIES

(a) Deferred Plan Development Costs

The Corporation follows the policy of capitalizing planning, development and administrative costs considered as applicable to the generation of income producing assets. All expenditures incurred from the inception of the Corporation on July 30, 1975 to March 31, 1977 have therefore been accumulated as deferred plan development costs and will be added to the asset value of the acreage eventually acquired from the Ontario Land Corporation. The Corporation will reduce these capitalized values in future years by appropriate charges to operating accounts as land is marketed or otherwise disposed of.

- (b) The Corporation is presently financed by loans from the Treasurer of Ontario. These loans bear interest at the rate of interest equal to the weighted average cost to maturity of long term securities issued by the Province of Ontario payable in Canadian funds and sold to the public during the fiscal year in which the loan is recorded in the Province's accounts.

3. ANTI-INFLATION LEGISLATION

Pursuant to the terms of an agreement between the Province of Ontario and the Government of Canada, the Corporation is subject to controls on compensation instituted by the Government of Canada in the Anti-Inflation Act, effective October 14, 1975.



Office of
Provincial
Auditor

416/965-1381

Parliament Buildings
Queen's Park
Toronto Ontario
M7A 1A2


To the Board of Directors of the North Pickering Development Corporation and to the Minister of Housing.

I have examined the balance sheet of the North Pickering Development Corporation as at March 31, 1977 and the schedule of deferred plan development costs for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1977 and the additions to its deferred plan development costs for the year then ended in accordance with generally accepted accounting principles.

In accordance with section 29 of The North Pickering Development Corporation Act, 1974, a report on the audit has been made to the Corporation and to the Minister.

Toronto, Ontario,
August 5, 1977.


F.N. Scott, C.A.,
Provincial Auditor.

Townsend community development program

target for first housing in Townsend new and originally been established for late however, in the fall of 1976, the Regional Municipality of Haldimand-Norfolk requested a later start-up date for Townsend, and announced a deferment in the completion of its first steel from 1978 to 1980.

In March, 1977, the regional council met with the Minister of Housing, his Parliamentary Assistant, the Provincial Minister of Municipal Affairs, and the Minister of the Environment to discuss the development of Townsend and related matters. At that time, there was general agreement that a later start-up date for Townsend was warranted in the light of recent economic

conditions. It was agreed that negotiations would continue between the province and the region to reach a mutually satisfactory agreement timetable to accommodate the development which will eventually settle in the region and specifically in Townsend. Central to the discussions will be the issues of servicing, employment, and the creation of the appropriate development organization.

Planning progress

Phase II (April to September, 1976) involved the completion of specialized studies on such matters as population profiles, housing and income requirements, commercial, social and recreational facilities, and transit and piped services.

A strategic plan for the community of 100,000 was recommended indicating that the most suitable location of the commercial and institutional centre of the town was west of the Nanticoke Creek above the Canadian National line. Recommended locations for the major secondary centres, major arterials and collectors, and future employment areas were also shown.

Fulfilling a commitment made to regional council, a 20-acre site opposite the commercial centre and east of the Nanticoke was reserved for a future regional administrative building.

Finally, the initial development area for the first 5,000 people and an intermediate area for 20,000 people were selected, and alternative plans prepared for these areas with prime consideration given to early access and servicing.

Phase III (October, 1976—March, 1977) marked the end of the initial Townsend planning process. The strategic plan for the overall community was refined and detailed plans completed for the first development area. Special studies were undertaken on residential site planning and landscaping, and a town centre conceptual plan and draft plan of subdivision for first housing were prepared.

Community Sponsored Housing Program

The Community Sponsored Housing Program, begun in September, 1974, makes available to eligible non-profit or co-operative groups which receive federal financing, grants equivalent to 10 per cent of the total cost of a housing project. In order to qualify for this grant, a group is required to make available a percentage of its units to people in need of rent-geared-to-income assistance under the Rent Supplement Program.

Following an agreement negotiated in March, 1977, the Ministry of Housing will also join with CMHC to provide funds to resource organizations providing development and management support to non-profit housing developers.

In the 1976/77 fiscal year, 2,095 units were approved in 26 projects, with an average rent supplement percentage of 38 per cent or 792 units. Approximately \$7.5 million was committed in rent reduction grants and \$10.4 million will be paid out over the 15-year span of the agreements under the Rent Supplement Program.

Of the units approved, 482 involved the rehabilitation of existing units and 1,613 involved new construction. A further breakdown of the details of the year's production is illustrated in the accompanying table.

The number of units under development in the third sector is up somewhat this year, although some of the larger projects in the City of Toronto were delayed while various zoning questions were resolved.

The federal/provincial funding agreement was finalized this past fiscal year for resource groups, which should aid the development of the management capabilities of non-profit groups. In the past year, the activities of the Toronto Non-Profit Housing Federation and the Labor Council Development Foundation in Toronto have continued to result in a growth activity in the area. Other resource groups expected to apply for federal/provincial funding in Ottawa, Thunder Bay and the southeast during the upcoming fiscal year.

Community Sponsored Housing production by client groups

Client group	No. of projects	Family units	Seniors units	Hostel units	Total units	Per cent of units for rent supplement	Total units supplied
Neighborhood groups & co-operatives	7	254	—	—	254	37 per cent	9
Charitable groups	8	12	779	—	791	36 per cent	28
Municipal non-profit housing groups (3)	11	617	433	—	1,050	39 per cent	41
	26	883	1,212	—	2,095	38 per cent	79

nd co-ordination branch

Following municipalities were allocated funding during the year under review:

Crane	development	\$ 350,000
River	development	120,000
Lake	development	2,750,000
na	development	250,000
va	acquisition	2,000,000
Ste. Marie	acquisition/development	500,000
Lookout	development	200,000
ato [City]	acquisition/development	4,750,000
ato [Metro]	acquisition	4,500,000
steed Twp.	development	360,000
Isor	acquisition/development	2,500,000
		\$ 18,280,000

the year progressed, adjustments were made to the allocations of three municipalities for the following reasons:

Deep River opted for alternate financing; Ste. Marie and Sioux Lookout cancelled projects when they were unable to obtain necessary approvals in the time available. Other eight municipalities succeeded in obtaining loan commitments from CMHC amounting to \$15,103,000.

The estimated total of serviced land units which will result from 1976 funding is 2,750 comprised of a wide range of housing types including apartments, townhouses and detached units.

In January, 1977, staff prepared an evaluation of the Municipal Land Development Program incorporating recommendations for improving its effectiveness and appeal to municipalities. The program evaluation was discussed with municipal, provincial and federal representatives.

At year end, the recommendations, which were mainly directed to CMHC, were under consideration by senior federal policy personnel.

Ontario Housing Corporation/Ontario Student Housing Corporation

The Honourable John Rhodes
Minister of Housing
Parliament Buildings
Queen's Park
Toronto, Ontario

Sir:

On behalf of the Board of Directors, it gives me great pleasure to present to you the annual report and statements of accounts of Ontario Housing Corporation and Ontario Student Housing Corporation for the year ended December 31, 1976.

Respectfully submitted,

Emerson E. Clow
Chairman

Report of the chairman of the board

In my last year as Chairman of Ontario Housing Corporation and Ontario Student Housing Corporation, I look back on 1964 when Ontario Housing was established with a portfolio of 6,179 units.

During the past 12 years, Ontario Housing has been a major provider of rental accommodation for families and elderly persons with low incomes. Much of the credit for the development of this assisted rental housing portfolio has been due to the dedication and ability of the board of directors and staff of OHC to meet the challenge of change in the housing field.

As an indication of the growth of the corporation's assisted rental housing portfolio, the number of units being managed has risen to 81,813 units, including 5,899 covered by rent supplement program agreements with the private sector. In addition, 4,411 provincially-owned units were under construction at year's end.

Ontario Housing Corporation has also been extremely active in the area of home ownership. Since the Home Ownership Made Easy (HOME) Plan was introduced in 1967, 39,099 homes have been built for moderate-income buyers.

Also, it should not be forgotten that Ontario Student Housing Corporation produced 12,700 units and beds for single and married students in 12 universities or colleges since its inception in 1966, although it was not active during the year under review.

Turning again to assisted housing for families and senior citizens, at year's end plans were being developed to change significantly the method of delivery of assisted accommodation. Policy changes being considered would provide municipalities with a wider range of options to meet their requirements for social housing.

In closing, I would like to express my pride in having been associated with Ontario Housing Corporation and Ontario Student Housing Corporation, members of the boards and the dedicated staff. As well, it would be remiss of me if I did not convey to the province my thanks for the support and co-operation it has always given us in the development and management of our housing programs.

E.E. Clow
Chairman

July 26, 1977

Ontario Housing Corporation

Assisted housing production

During the year, construction began on 1,000 units—3,911 senior citizen and 202 units.

A total of 77 tender calls were issued: 10 for family units and 64 for 3,635 units of senior citizen housing.

Twenty-eight properties were acquired by the Ministry of Government Services on behalf of OHC. Nine of the sites were for family housing and 19 for senior citizen accommodation.

Senior citizen housing in Metro Toronto

In 1976, the province again assisted the Metropolitan Toronto Housing Co. Ltd. in financing the development of senior citizen housing. Following a call for proposals, OHC approved a 42½ per cent operating grant for 1,399 units.

Private Assisted Rental Program

The Private Assisted Rental Program (PARP) was introduced in August, 1976, to encourage greater private sector participation in providing rent geared-to-income accommodation in municipalities where OHC encountered difficulty in developing assisted housing by the direct construction approach.

Under PARP, which was introduced in nine municipalities, OHC calls for competitive proposals from builders for the construction and management of assisted housing in selected municipalities. Builders arrange their mortgage financing and enter into agreements with OHC. Up to 100 per cent of the units in a project can be made available to tenants on local waiting lists.

Mohawk Gardens— Hamilton

By March 1, 1976, 112 families were relocated from Phases I and IV of the Mohawk Gardens redevelopment area. Thirty-eight wartime houses were demolished to make way for a 169-unit senior citizen apartment building, with six of the units to be equipped for handicapped persons.

Seventy-four additional wartime homes were demolished to provide sites for 93 single and semi-detached units. Three separate contracts were awarded for these homes, 30 per cent of which will be acquired by OHC for rent geared-to-income housing. The remainder are scheduled for marketing under the federal/provincial home ownership assistance program, AHOP/HOME. Tenants in Phase II are expected to be relocated in 1977 and those in Phase III by 1978. Displaced residents are given first option when new units become available.

Rent Supplement Program

Out of a Central Mortgage and Housing Corporation allocation of 1,900 units, OHC secured 1,833 units for the Rent Supplement Program under which persons in need of shelter assistance are housed in units owned by the private sector.

Of the total rent supplement units, 484 were generated through Accelerated Rental Housing Program initiatives by Ontario Mortgage Corporation and CMHC. OHC negotiated 48 units for senior citizens in the former staff residence of the Port Colborne General Hospital.

OHC worked closely with the Rehabilitation Institute of Ottawa to secure 11 units under the Rent Supplement Program in that city. Accommodation for 13 handicapped tenants was provided in a private building. Minor renovations were made to meet the specific needs of the tenants in their new homes.

Rural Housing Program

During 1976, the Rural Housing Program's second year of operation, 91 units in nine communities were approved for funding. In addition, the province continued its involvement in monitoring the program through representation on the federal/provincial management committee for the Rural Housing Program.

HOME Plan

During the year, 3,953 Home Ownership Made Easy (HOME) Plan units were marketed in 19 municipalities.

In Espanola and Ear Falls, 23 and 15 lots respectively were made available on a freehold basis.

During the year, the division submitted nine draft plans for approval and awarded six servicing contracts. Some of the highlights of the most active areas are:

Metro Toronto [Malvern]—Official plan approval was received for neighborhood 10 which will provide 1,125 units. Pre-grading got under way and services will be installed during 1977, allowing for construction in that year of approximately 500 units. Negotiations were under way with Scarborough concerning the central area.

Saltfleet—Underground services and roadways in Stage I, Phase II, were completed during 1976 and construction started on 330 units. A draft plan for the resubdivision of block lands in Stage I was under way as well as a concept plan for the first four district centres to be located in the Saltfleet community.

Number of HOME units marketed between Jan. 1, 1976 and Dec. 31, 1976

Municipality	No. of Units
Brantford	146
Carleton Place	52
Ear Falls	1
Espanola	40
Goulbourn	275
Guelph	62
Hamilton	356
Hearst	18
Iroquois Falls	32
Kingston	50
London	64
Oshawa	167
Stoney Creek	330
Stratford	59
Sudbury	94
Timmins	34
Welland	47
Windsor	322
Subtotal—(excluding Metro Toronto)	2,149
Metro Toronto	
Malvern	1,484
North York-Edgeley	40
Thistletown	280
Subtotal—Metro Toronto	1,804
Total Ontario	3,953

Technical services

The chief architect's branch continued the development of the modified tender method in 1976 and issued revision 10 of the documents.

The following fine projects received Canadian Housing Design Council awards, with two being full design awards and three honorable mention awards.

Project awards

1. Kanata OHC-1 (40 senior citizen units)
Schoeloer & Heaton, Ottawa

2. Orillia OH-8 (69 senior citizen units)
Allward & Gouinlock, Toronto

Honorable mention

1. Strathroy OH-2 (20 family units)
Paul Skinner, London

2. Sturgeon Falls OH-3 (58 senior citizen units)
Wallis & Bywater, North Bay

3. Bramalea HOME Phase I. Block B (60 ownership, Zero Lot Line Project)
Henry Fleiss, Toronto

In 1976, the senior engineer's section was combined with the chief engineer's branch. Construction inspections were carried out on 4,005 units under the HOME Plan. (During the year CMHC assumed the responsibility for inspecting all HOME Plan units.) Inspections were also made on 3,103 units under the Ontario Housing Action Program and the Preferred Lending Program.

The senior engineer's branch was also responsible for reviewing engineering plans, inspecting construction and administering contracts for 4,179 senior citizen and family housing units in 1976 under the Assisted Rental Housing Program.

The technical services branch was selected to work with the Ontario Energy Management Program in promoting energy conservation. At year's end it was developing a number of conservation measures for buildings owned by OHC, in addition to exploring the use of solar energy in the housing field.

Projects included Provident House in King Township, the first house in Canada heated entirely by solar energy, and the design of a senior citizen building at Aylmer, the first multi-unit residential building in Canada to be heated by the sun. In Metro Toronto, the branch is involved in evaluating the Consumer's Gas Co. Solar-MEC installation, a unit designed to use solar energy for both heating and cooling.

Also the final design documents for the Aylmer OH-3 (30 senior citizen units) solar heated project were prepared.

Housing management

At year's end, the corporation had the following units in its portfolio:

Family	48
Senior citizen	27
Total	75

In addition, OHC was administering rent supplement program agreements covering 5,899 units.

Tenant placement

New applications received (Metro Toronto)	9
New applicants housed (Metro Toronto)	4

Tenant placement waiting list as of Decen 31, 1976:

Family (Province)	10
(Metro Toronto)	7
Total Family	17
Senior citizens (Province)	17
(Metro Toronto)	2
Total senior citizens	19
Total waiting list (Family and senior citizens)	37

Community relations

During the year, the community relations branch designed and monitored a summer training leadership program. This involved 150 university and high school students in various activities in Metro Toronto and 15 communities in the province.

Training of community relations workers through professional development workshops and employees in this field to share information on concerns of senior citizens, families, and physically handicapped groups residing in developments.

Special committee

Public housing

During the year, further progress was made in the program to re-organize the housing authority system in Ontario. By year's end, 11 new authorities had been established and 11 existing authorities had been reconstituted with new areas of responsibilities to supersede 15 existing authorities.

In addition, negotiations with municipal governments had been completed in a further 13 areas for which appointments were awaited. The authorities could be formally incorporated.

By year's end, 47 housing authorities were operating and it was estimated that when the program is completed, some 58 to 60 will exist.

Housing operations (Metro)

The second tenant management agreement was signed with the Alexandra Park Residents' Association effective Aug. 1, 1976, resulting in greater resident participation in the management of that family development in central Toronto.

Further modernization and improvement work was continuing in a number of Metro projects, with day-care centres added in two larger developments.

During the year, the number of units under the rent supplement program in Metro was increased from 1,815 to 2,466.

Housing operations (Ontario)

Expansion of the housing authority system continued throughout 1976 with further delegation of responsibilities to the larger authorities to issue tender calls and award contracts with values of up to \$100,000.

A professional development day, held in November, 1976, was attended by 264 property management personnel, making it the largest gathering of its kind ever held in Canada.

The Institute of Housing Management was incorporated by charter on Jan. 16, 1976. Included on its board of directors are four senior members of the ministry's housing management operations. With membership available to the whole housing industry, the public housing sector numbers 177 among the institute's membership of 214. The ministry, at year's end, was seeking a means of developing a home study course in housing management, in co-operation with the Institute of Housing Management.

New accommodation coming under government administration during the year, totalled 3,994 units (439 family and 3,555 senior citizen units).

Maintenance engineering

The main thrust of the branch was concentrated on the preparation of plans and specifications, calling of public tenders and contract administration for modernization and improvement works.

In all, approximately 650 maintenance and improvement projects were designed, using in-house and technical consultants.

The installation of smoke detectors in all units owned by the corporation continued during 1976. By year's end, almost 60 per cent of the portfolio had been serviced. It is anticipated that this program should be completed by the end of 1977.

The safety co-ordinator continued the safety program with seminars, advice and inspections, with particular emphasis placed on fire hydrants, emergency lighting and aluminum wiring.

Ontario Housing Corporation

Financial Statements and Report on the Audit Year ended December 31, 1976

ONTARIO HOUSING CORPORATION
Incorporated without share capital under
The Ontario Housing Corporation Act

Balance Sheet
December 31, 1976

ASSETS	1976		1975		LIABILITIES	1976		1975	
	\$	-	\$	-		\$	-	\$	-
Cash	15,366,530		650,896		Bank indebtedness	4,377,413		-	
Accounts receivable	774,507		15,362,394		Accounts payable and accrued liabilities	40,417,564		46,472,448	
Funds due from Ontario Student Housing Corporation	27,386,867		-		Funds due to Ontario Student Housing Corporation	-		1,865,173	
Operating funds due from the Treasurer of Ontario	3,536,006		14,546,375		Holdbacks and deposits on construction contracts	13,381,230		17,254,761	
Other assets	123,752,532		2,541,457		Mortgages, debentures and similar indebtedness	1,058,539,468		980,510,628	
Mortgages and loans receivable	7,470,021		18,628,150		- Central Mortgage and Housing Corporation	3,605,758		3,692,106	
Investment in properties under agreements for sale	73,202,058		8,070,180		Capital indebtedness to the Treasurer of Ontario	327,864,452		284,114,383	
Land leased, at cost	154,855,162		85,061,489		Deferred income (Note 2c)	41,979,204		7,186,537	
Investment in properties under development	12,759,131		189,033,253						
Investment in Federal-Provincial properties, at cost, less accumulated amortization of \$2,136,438; 1975 - \$1,984,215 (Note 2a)									
Rental housing properties, at cost, less accumulated amortization of \$16,603,812; 1975 - \$13,362,732 (Note 2b)									
	1,071,062,275		994,228,140						
	<u>\$1,490,165,089</u>		<u>\$1,343,096,036</u>			<u>\$1,490,165,089</u>		<u>\$1,343,096,036</u>	
Assets of mortgage guarantees and property damage funds (Schedule 1)									
	\$ 1,469,751		\$ 1,380,486			\$ 1,469,751		\$ 1,380,486	

Assets of mortgage guarantees and property damage funds (Schedule 1)

See notes to financial statements.

On behalf of the Board:

G. Grunder Director
Robert B. B. Director

ONTARIO HOUSING CORPORATION

Statement of Operating Funds Due from the Treasurer of Ontario Year ended December 31, 1976

	1976	1975
Balance, beginning of year	\$14,546,375	\$19,274,214
Add: Net operating loss (profit) for the year:		
Ontario Housing Corporation	74,347,139	53,915,271
Ontario Student Housing Corporation	<u>128,221</u>	<u>(6,915)</u>
	89,021,735	73,182,570
Less: Funds provided during the year - net	<u>61,634,868</u>	<u>58,636,195</u>
Balance, end of year	<u>\$27,386,867</u>	<u>\$14,546,375</u>

See notes to financial statements.

ONTARIO HOUSING CORPORATION
Statement of Operations
Year ended December 31, 1976

	1976	1975
LOSS ON HOUSING OPERATIONS		
Provincial housing operations		
Rental revenue	<u>\$ 71,280,688</u>	<u>\$ 62,586,016</u>
Expenses		
Property operating expenses	99,033,507	78,056,648
Grants in lieu of municipal taxes	30,469,126	24,890,600
Amortization (Note 2b)	<u>79,723,975</u>	<u>68,859,362</u>
	<u>209,226,608</u>	<u>171,806,610</u>
Loss on provincial housing operations (Note 3)	137,945,920	109,220,594
Rent supplement payments to landlords (Note 4)	<u>8,298,320</u>	<u>5,468,820</u>
	146,244,240	114,689,414
Less: Central Mortgage and Housing Corporation and municipalities shares	<u>83,913,358</u>	<u>65,831,843</u>
	62,330,882	48,857,571
Federal-Provincial housing operations loss (Schedule 2) (Note 5)	1,886,013	1,576,909
Provincial contributions to municipal housing projects (Note 6)	<u>2,426,130</u>	<u>-</u>
Loss on housing operations	<u>66,643,025</u>	<u>50,434,480</u>
OTHER REVENUE AND EXPENSES		
Other revenue		
Interest	7,685,916	3,234,239
Income from leased land	5,771,149	7,133,277
Gain from sale of real property	969,754	727,305
Administration and management fees (Note 2e)	<u>413,707</u>	<u>601,014</u>
	<u>14,840,526</u>	<u>11,695,835</u>
Other expenses		
Interest	13,555,380	6,533,661
Administration (Schedule 3)	<u>8,989,260</u>	<u>8,642,965</u>
	<u>22,544,640</u>	<u>15,176,626</u>
Net other expenses	<u>7,704,114</u>	<u>3,480,791</u>
Net operating loss for the year	<u>\$ 74,347,139</u>	<u>\$ 53,915,271</u>

See notes to financial statements.

ONTARIO HOUSING CORPORATION

SCHEDULE 1

Mortgage Guarantee and Property Damage Funds
Year ended December 31, 1976

	1976	1975
ASSETS		
Mortgage guarantee fund		
Cash	\$ 29,572	\$ 63,809
Due from Ontario Housing Corporation	2,557	-
Due from Ontario Mortgage Corporation	-	875
Securities, at cost, including accrued interest (Market value \$671,350; 1975 - \$647,045)	726,149	762,315
Mortgages receivable arising through assignment	336,160	166,651
Real estate acquired by foreclosure, at cost	-	15,427
Mortgages receivable arising from sale of real estate	<u>39,675</u>	<u>37,516</u>
	<u>1,134,113</u>	<u>1,046,593</u>
Property damage fund		
Cash	154,168	3,552
Due from Ontario Housing Corporation	(46,938)	142,064
Securities, at cost, including accrued interest (Market value \$225,995; 1975 - \$173,933)	<u>228,408</u>	<u>188,277</u>
	<u>335,638</u>	<u>333,893</u>
	<u>\$1,469,751</u>	<u>\$1,380,486</u>
	For the Year 1976	1975
RESERVES		
Mortgage guarantee reserve (Note 7)		
Fees	\$ 802	\$ 828,130
Interest income	88,704	304,686
Mortgages receivable acquired through settlement of claims	215,057	438,976
Disposal of real estate acquired through foreclosure	<u>(15,427)</u>	<u>15,427</u>
	<u>289,136</u>	<u>1,571,792</u>
Net gain (loss) on operation and sale of real estate	<u>(1,986)</u>	<u>1,297</u>
	<u>287,150</u>	<u>1,573,089</u>
Less: Claims paid including expenses	<u>199,630</u>	<u>438,976</u>
	<u>87,520</u>	<u>1,134,113</u>
Property damage reserve (Note 8)		
Provision	326,118	1,753,611
Interest income	<u>23,009</u>	<u>129,613</u>
	<u>349,127</u>	<u>1,883,224</u>
Less: Property damage losses	<u>347,382</u>	<u>1,547,586</u>
	<u>1,745</u>	<u>335,638</u>
	<u>\$ 89,265</u>	<u>\$1,469,751</u>
		<u>\$1,380,486</u>

See notes to financial statements.

SCHEDULE 2

ONTARIO HOUSING CORPORATION

Statement of Loss on Federal-Provincial Housing Operations
Year ended December 31, 1976

	1976	1975
Rental revenue	<u>\$ 7,758,489</u>	<u>\$ 7,640,193</u>
Expenses		
Property operating expenses	11,420,133	8,989,812
Grants in lieu of municipal taxes	2,604,063	2,192,265
Amortization (Note 2a)	<u>3,642,412</u>	<u>3,712,423</u>
	<u>17,666,608</u>	<u>14,894,500</u>
Loss on Federal-Provincial housing operations	9,908,119	7,254,307
Less: Central Mortgage and Housing Corporation and municipalities shares	<u>8,022,106</u>	<u>5,677,398</u>
Federal-Provincial housing operations loss	<u>\$ 1,886,013</u>	<u>\$ 1,576,909</u>

See notes to financial statements.

SCHEDULE 3

ONTARIO HOUSING CORPORATION

Administration Expenses
Year ended December 31, 1976

	1976	1975
Salaries	\$ 7,389,404	\$ 8,715,643
General and office expenses	3,498,499	2,835,969
Transportation and communication	278,167	554,322
Supplies and equipment (Note 2f)	620,764	760,283
Construction supervision	1,813,500	1,354,301
Other	<u>556,209</u>	<u>278,882</u>
	14,156,543	14,499,400
Less: Recovery of administration expenses	<u>5,167,283</u>	<u>5,856,435</u>
	<u>\$ 8,989,260</u>	<u>\$ 8,642,965</u>

See notes to financial statements.

ONTARIO HOUSING CORPORATION
Notes to Financial Statements
December 31, 1976

1. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to 1976 presentation.

2. ACCOUNTING POLICIES

(a) Investment in Federal-Provincial Properties

Land and building costs relating to Federal-Provincial partnership properties are amortized over the term of the corresponding partnership agreements. The balance sheet item represents the Corporation's equity as at the statement date less accumulated amortization. The amortization charges consist of the following:

	1976		1975	
	Province	C.M.H.C. and Municipalities	Province	C.M.H.C. and Municipalities
Principal repayments	\$152,223	\$ 833,540	\$147,508	\$ 595,239
Carrying charges	<u>624,114</u>	<u>2,032,535</u>	<u>635,202</u>	<u>2,334,474</u>
	<u>\$776,337</u>	<u>\$2,866,075</u>	<u>\$782,710</u>	<u>\$2,929,713</u>
Total per Schedule 2		<u>\$3,642,412</u>		<u>\$3,712,423</u>

(b) Rental Housing Properties, At Cost,
Less Accumulated Amortization

Land and building costs are amortized over the term of the corresponding indebtedness. The amortization charges for wholly owned provincial projects consist of the following:

	1976	1975
Principal repayments	\$ 3,241,080	\$ 2,842,772
Carrying charges	<u>76,482,895</u>	<u>66,016,590</u>
Total amortization	<u>\$79,723,975</u>	<u>\$68,859,362</u>

(c) Deferred Income

Deferred income is made up as follows:

	1976	1975
Unrealized gain from sale of real property	\$41,860,190	\$7,058,312
Other	<u>119,014</u>	<u>128,225</u>
	<u>\$41,979,204</u>	<u>\$7,186,537</u>

2. ACCOUNTING POLICIES (cont'd)

(c) Deferred Income (cont'd)

The unrealized gain from the marketing of real property arises when mortgages receivable form part of the consideration on property sales. The gain portion is the excess of the marketing price over cost and this gain is taken into income as related mortgage principal is repaid.

(d) Capitalization of Costs

Carrying charges, consisting principally of interest and grants in lieu of municipal taxes attributable to properties under development, are capitalized as part of the cost thereof.

(e) Administration and Management Fees

Management fees relating to the operation of Ontario Student Housing Corporation in the amount of \$25,000 are included in the reported total in accordance with an agreement between the two Corporations.

(f) Supplies and Equipment

Furniture and equipment purchases for general office use are charged to supplies and equipment in the year of acquisition.

3. LOSS ON PROVINCIAL HOUSING OPERATIONS

Provincial housing properties are those that are developed and administered by the Ontario Housing Corporation. Individual property operating statements are prepared for the benefit of Central Mortgage and Housing Corporation and two hundred and forty-five municipalities.

4. RENT SUPPLEMENT PAYMENTS TO LANDLORDS

Under its rent supplement program, the Corporation provides rent-geared-to-income accommodation within the private sector to applicants from its waiting list. The cost of this program is shared with Central Mortgage and Housing Corporation and forty-eight municipalities. As at December 31, 1976, there were 5,899 such units under contract throughout the province.

5. FEDERAL-PROVINCIAL HOUSING OPERATIONS LOSS

Federal-Provincial housing properties were developed under partnership agreements by Central Mortgage and Housing Corporation and are administered by Ontario Housing Corporation and thirty-five housing authorities throughout the province. Individual property operating statements are prepared for the benefit of Central Mortgage and Housing Corporation and forty-one municipalities. The loss reported in the Statement of Operations represents Ontario Housing Corporation's share only.

6. PROVINCIAL CONTRIBUTIONS TO MUNICIPAL HOUSING PROJECTS

In 1976 the Corporation agreed to contribute \$2,426,130 to The Metropolitan Toronto Housing Company Limited towards operating subsidy costs for senior citizen apartment units.

7. MORTGAGE GUARANTEE RESERVE

The outstanding balance of approved lenders' mortgages guaranteed as at December 31 was \$60,505,857 in 1976 (\$65,571,727 in 1975).

8. PROPERTY DAMAGE RESERVE

The reserve is intended to cover repair costs relating to minor damage by fire, wind, water and vandalism.

9. CONTINGENCY

In June 1967, the Ontario Government passed The Condominium Act. The initial response to this new housing legislation from the private sector was limited which prompted Ontario Housing Corporation to embark upon an active program, through Ontario Mortgage Corporation, of financing condominium development. Participation in the financing of more than 14,000 condominium dwellings was undertaken. As an incentive for several of the earlier projects, including Chapel Glen, Flemingdon Woods and Crescent Town, comprising more than 4,000 units, Ontario Housing Corporation provided financial guarantees. The contracts for these latter three developments in Metropolitan Toronto included clauses whereby Ontario Housing Corporation agreed to purchase any units remaining unsold six months after substantial completion. Due to a slower than expected public acceptance of high-rise condominiums, Ontario Housing Corporation, under the agreements, became liable during 1972 to purchase the unsold units at these three locations. By mutual agreement with the construction companies, the Corporation's liability with respect to the purchase of the unsold units was deferred in exchange for a corresponding deferment of the companies' liability for interest on construction advances.

Although the construction advances referred to are carried as assets by Ontario Mortgage Corporation, Ontario Housing Corporation is financially responsible for any settlement with the construction companies that may be negotiated under the contract clauses described above. In 1976, Ontario Housing Corporation wrote off accrued interest in the amount of \$4,050,642 for the Crescent Town project and in turn the construction company released the Corporation from any liability under the buy-back clause. As at December 31, 1976, accrued interest on advances for Chapel Glen and Flemingdon Woods projects amounted to \$6,628,890 and such interest has been included as income in the accounts of Ontario Mortgage Corporation.

10. ANTI-INFLATION LEGISLATION

Pursuant to the terms of an agreement between the Province of Ontario and the Government of Canada, the Corporation is subject to controls on compensation instituted by the Government of Canada in the Anti-Inflation Act, effective October 14, 1975.



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416/965-1381

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Queen's Park
Toronto Ontario
M7A 1A2


To the Members, Ontario Housing Corporation, and
to the Minister of Housing.

I have examined the balance sheet of Ontario Housing Corporation as at December 31, 1976 and the statements of operations and operating funds due from the Treasurer of Ontario for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1976 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

In accordance with section 12 of The Ontario Housing Corporation Act, a report on the audit has been made to the Corporation and to the Minister of Housing.

Toronto, Ontario,
May 27, 1977.


F.N. Scott, C.A.,
Provincial Auditor.

Ontario Student Housing Corporation

Year-end student accommodation totals
remained unchanged from 1974, at 12,218 units
located at 12 colleges and universities across
the province.

North Pickering Development Corporation

Board of directors

William B. Harris, Chairman
Robert J. Butler
Mrs. Jill Gibson
Irving A. Paisley
Henry S. Polak
Donald C. Scott

The North Pickering Development Corporation, a crown agency established in 1975, is responsible for planning and developing a new community on the eastern portion of a 25,200-acre planning area located approximately halfway between Metro Toronto and Oshawa.

The new community, with an ultimate population of 70,000 to 90,000, will be developed on approximately 6,800 acres of lands east of the West Duffin Creek, within the Town of Pickering in the Region of Durham. The westerly portion of the planning area will be maintained in agricultural uses over a long-term period and, together with an open space system on the western and southern peripheries, will physically separate the new community from Metro Toronto and adjacent urban centres.

This community, to be developed over a 15- to 20-year period, is part of provincial policy to stimulate economic growth in the area east of Metro Toronto, and to relieve growth pressures in the areas immediately north and west of Metro.

The major task undertaken by the corporation during 1976-77 was to define its role and its relationships to the province, affected municipalities, and the development industry in the planning and development of North Pickering within the framework of the legislation establishing the North Pickering Development Corporation.

The corporation obtained the assistance of Canada Consulting Ltd. which completed a study late in 1976 identifying alternative relationships and their implications. Based on the results of this study, the corporation prepared a draft memorandum of agreement outlining a proposed mandate of the corporation and identifying the operational and administrative relationships of the corporation to the province, the minister and the Ministry of Housing.

In addition to this task, the corporation was involved in the following activities in the 1976-77 fiscal year.

Planning

Plan for development

During 1976-77, the corporation commenced the preparation of a plan for development, as required under Section 18 of the North Pickering Development Corporation Act.

While the plan will lay the foundation for the development of North Pickering, the policies will be sufficiently flexible to respond to changing circumstances and preferences that may occur over the 15- to 20-year development period.

Arterial road studies

In August, 1976, the corporation commissioned two arterial roads studies in the North Pickering planning area. In March, 1977, McCormick, Rankin and Associates Ltd. completed a feasibility analysis for Finch Avenue in the area west of the West Duffin Creek. Totten, Sims, Hubicki Associates Ltd. undertook feasibility analysis and functional planning for arterial roads within a portion of the future urban area east of the West Duffin Creek. This study was still in progress at the end of the 1976-77 fiscal year.

Historical preservation

The corporation has been co-operating with the Ontario Heritage Foundation of the Ministry of Culture and Recreation to identify structures on the site that will be preserved because of their unique historical features.

Hamlet planning

Planning meetings were held in May and June of 1976 with residents of the hamlets of Green River, Whitevale, Cherrywood, Locust Hill, Cherrywood East and Martin's Subdivision. Consideration was given to various options concerning the extent to which these hamlets might grow.

Because the corporation's primary responsibility is to plan and develop the urban community, it will not be directly involved in the hamlet planning process. However, it will co-operate with the ministry and the appropriate municipalities in future hamlet planning.

Environmental planning and management

Detailed investigations of the geology and ground water conditions were completed in the area east of the West Duffin Creek. The results *Report of a Detailed Urban Terrain Constraint Survey in the Urban Area of the North Pickering Planning Area*. This information was used in an arterial roads study of the urban area and will also be used in secondary planning.

An inventory of all natural resources and land uses on the east side of the West Duffin Creek was completed by summer students in

1976 and listed in a report entitled *Natural-Cultural Resources Inventory*. This data will provide a basis for the evaluation of designs in secondary planning.

Work is continuing for the third year on a water monitoring program to measure the quality and quantity of water in the creek located in the future urban area of the site. This information is required for evaluating the effects of development on stream flows, as part of a long-term program aimed at providing detailed design data for flood prevention.

An important feature of natural resource management on the site was the opening of the North Pickering Hiking Trail in July, 1976. Designed and developed in co-operation with the Metro Toronto and Region Conservation Authority, the trail has become a popular recreational resource, providing a natural science experience for students and the public generally.

The trail extends along the valley of the West Duffin Creek between Concession 3 and Highway 7. While it is 4.5 miles point to point, the actual walking distance, with twists and turns, is almost eight miles.

Administration

Personnel

On June 1, 1976, Ministry of Housing staff employed on the North Pickering Project were seconded to the North Pickering Development Corporation, with responsibilities for planning, finance and administration, and property management.

Property management

On December 1, 1976, the responsibility for property management of the North Pickering planning area was transferred from the corporation to a new branch of the Ministry of Housing.

The new branch, known as the North Pickering land acquisition and management branch, is responsible for leasing programs, completion of the land acquisition program, property resale programs, and property maintenance.

Municipal impact study

Work continued on a joint municipal impact study initiated in 1975 by staff of the Ministry of Housing, the Regional Municipality of Durham, and the Town of Pickering. The objective of the study is the development of a new community in North Pickering on the regional, the town, and affected local board

A report of the study's findings will be presented to the corporation and the municipalities.

North Pickering Development Corporation

Financial Statements and Report on the Audit Year ended March 31, 1977

NORTH PICKERING DEVELOPMENT CORPORATION

Incorporated without share capital
under The North Pickering Development Corporation Act, 1974

Balance Sheet March 31, 1977

ASSETS

Cash	\$ 2,499
Accounts receivable	2,051
Deferred plan development costs (Schedule 1 and note 2)	<u>935,402</u>
	<u>\$ 939,952</u>

LIABILITIES

Accounts payable	\$ 4,550
Capital indebtedness to the Treasurer of Ontario	<u>935,402</u>
	<u>\$ 939,952</u>

See notes to financial statements.

On behalf of the Board:


Director


Director

ONTARIO STUDENT HOUSING CORPORATION

Statement of Operations
Year ended December 31, 1976

	1976	1975
LOSS ON HOUSING OPERATIONS - 30-35 Charles Street, Toronto		
Rental revenue	<u>\$1,837,298</u>	<u>\$1,678,077</u>
Expenses		
Property operating expenses	649,057	567,819
Grants in lieu of municipal taxes	450,104	397,903
Amortization (Note 4)	<u>722,857</u>	<u>722,857</u>
	<u>1,822,018</u>	<u>1,688,579</u>
Net revenue (loss) on housing operations (Note 4)	<u>15,280</u>	<u>(10,502)</u>
OTHER REVENUE AND EXPENSES		
Other revenue		
Interest	4,852,315	4,901,925
Gain from sale of real property (Note 2a)	<u>1,700</u>	<u>1,700</u>
	<u>4,854,015</u>	<u>4,903,625</u>
Other expenses		
Interest	4,749,429	4,861,287
Administration fee (Note 2b)	25,000	25,000
General and office	6,251	10,423
Repair cost absorbed (Note 5)	<u>201,556</u>	<u>-</u>
	<u>4,982,236</u>	<u>4,896,710</u>
Net other revenue (expenses)	<u>(128,221)</u>	<u>6,915</u>
Net operating loss for the year	<u>\$ 112,941</u>	<u>\$ 3,587</u>

See notes to financial statements.

ONTARIO STUDENT HOUSING CORPORATION

Notes to Financial Statements

December 31, 1976

1. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to 1976 presentation.

2. ACCOUNTING POLICIES

(a) Deferred Income

The deferred income account as at the statement date includes the unearned portion of gain from sale of real estate (1976 - \$74,900; 1975 - \$76,600). For the 1976 year end the account also includes net revenue deferred on the operations of the Charles Street property in Toronto amounting to \$15,280.

(b) Administration Fee

Ontario Housing Corporation provides administrative services to Ontario Student Housing Corporation and charges the cost of these services to the latter Corporation. The fee agreed upon between the two Corporations was \$25,000 for the year ended December 31, 1976.

3. INVESTMENT IN RENTAL HOUSING PROPERTIES ON LEASED LAND, AT COST

The cost of student housing accommodation constructed on land leased from educational institutions is being repaid to the Corporation over the duration of the leases. When costs are fully repaid the buildings will become the property of the various educational institutions. Rental and maintenance activities on twenty-two such properties are administered by eleven universities or colleges in eleven municipalities throughout Ontario.

4. RENTAL HOUSING PROPERTY, AT COST

This property which is located in Toronto to provide housing for University of Toronto students, is wholly owned by the Corporation and managed by a trust company. Land and building costs are being amortized over the duration of the corresponding indebtedness and any operating losses are recoverable from the University of Toronto. The terms of the existing agreement with the University of Toronto are being renegotiated to include a provision for a reserve to cover operating losses.

4. RENTAL HOUSING PROPERTY, AT COST (cont'd)

The amortization charges consist of the following:

	1976	1975
Principal repayments	\$ 58,222	\$ 55,000
Carrying charges	<u>664,635</u>	<u>667,857</u>
Total amortization	<u>\$722,857</u>	<u>\$722,857</u>

5. REPAIR COST ABSORBED

Certain improvements carried out on a specific property were deemed to be the responsibility of the Corporation and were paid during the 1976 fiscal year.



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To Ontario Student Housing Corporation and
to the Minister of Housing for the Province of Ontario.

I have examined the balance sheet of Ontario Student Housing Corporation as at December 31, 1976, and the statements of operations and operating funds from Ontario Housing Corporation for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1976 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made in accordance with section 17 of Order in Council 3417/66 under which the Ontario Student Housing Corporation was constituted.

Toronto, Ontario,
April 29, 1977.


F.N. Scott, C.A.,
Provincial Auditor.

Ontario Mortgage Corporation

The Honourable John Rhodes
Minister of Housing
Parliament Buildings
Queen's Park
Toronto, Ontario

Sir:

On behalf of the Board of Directors, it gives me great pleasure to present to you the annual report and statements of accounts of Ontario Mortgage Corporation for the year ending March 31, 1977.

Respectfully submitted,

H.W. Hignett,
Chairman of the Board and President.

Report of the chairman of the board of directors

Ontario Mortgage Corporation (OMC) continued its mortgage financing operations at a high level of activity during the fiscal year 1976/77, when new mortgage funds of \$180 million were advanced.

New mortgage commitments of \$115 million to assist in the production of 4,238 housing units were approved by the board of directors during the year, and at year-end OMC mortgage assets had increased to \$677.2 million.

With the exception of the integration of the Home Ownership Made Easy Plan with the Federal Assisted Home Ownership Program, no major revisions or new mortgage lending programs were introduced during the year. Rather, the year enabled consolidation of effort and increasing efficiency in corporate reorganization and activity under existing lending programs.

Toward the end of the year, general market conditions in Ontario indicated slow sales of housing units due to, among other reasons, the emergence of a buyer's market, the softening of interest rates and the impact of AHOP introduced by the federal government with an effective interest rate of eight per cent on qualified projects. Slow sales mostly affected high-rise condominium units in all market areas and in all price ranges. However, latest indications are that increasingly active demand will probably absorb these unsold units in future months.

Several frank and informative meetings were held with senior representatives of the private lending institutions during the year to explain new or existing government housing programs. A useful and important rapport has been established between the corporation and the private lending institutions which, I am sure, will be mutually beneficial in future.

During the year, the residential construction and mortgage industries functioned in an economic climate which reflected a general slowdown in an overall economic activity and tight budgeting by all levels of government which was undertaken to reverse what had become an alarming inflationary spiral.

The federal government maintained a tight monetary policy, in conjunction with the restraints of the Anti-Inflation Program, which caused interest rates to rise during late 1975 and early 1976 before registering a decline at the end of 1976. Uncertainty and a dampening of economic expansion contributed to rising unemployment and curbed consumer spending, but progress was made in reducing the rate of inflation.

In November and December 1976, and in February 1977, the Bank of Canada initiated half-point bank rate reductions to stimulate economic growth and ease high unemployment, the effects of which are not yet being felt. However, in the short term, at least demand for housing will be met by an adequate supply made available from existing inventory and from new starts undertaken by builders who at present have ready access to plentiful mortgage money, labor and materials.

Once again, on behalf of the board of directors of OMC, I would like to express sincere thanks for the loyal and dedicated efforts of the officers and staff of the corporation.

H.W. Hignett,
Chairman

June 30th, 1977

Ontario Mortgage Corporation

accordance with a board of directors' resolution, dated March 4, 1976, a bylaw was passed changing the year end of the corporation to March 31. The reporting year of the Ontario Mortgage Corporation (OMC) is now April 1 to March 31, which coincides with the fiscal year of the Province of Ontario and facilitates funding comparison, budgeting and operating performance of the corporation.

In the fiscal year 1976/77, new mortgage commitments of \$180.4 million were advanced to increase the value of the mortgage portfolio to \$1.1 billion, for a total of 44,168 mortgage accounts and 7,667 lease accounts. Included in this portfolio is the Ontario Housing Corporation (OHC) portfolio, managed by OMC, consisting of 44 first and second mortgages and 7,667 lease accounts for sale, for a total value of \$102.3 million.

During the year, senior officers of OMC, representing the Minister of Housing, held ongoing meetings with representatives of the private lending institutions, consisting of banks, trust companies, and insurance companies to explain new or existing government housing programs.

In March 1977, the government announced a major change to the Home Ownership Made Easy (HOME) Plan. This program was integrated with the federal Assisted Home Ownership Program (AHOP) to create the AHOP/HOME Program designed to bring home ownership within the reach of more moderate and lower-income residents wishing to purchase new housing units. This occurred at a most opportune time when interest rates were softening. The bank rate had declined to eight per cent (compared with a high of nine-and-one-half per cent a year earlier), and the NHA insured interest rates were drifting down to the 10 per cent range, compared with the nine-and-three-quarters per cent HOME interest rate.

Activity

At the end of the current fiscal year, mortgage commitments of \$117.299 million were carried forward in respect of the following programs:

	Million
HOME	\$69,821
PLP	9,779
ARHP	27,156
OHAP	7,838
Other	2,705
	\$117.299

Of the above, OMC expects to advance about \$100 million during the fiscal year 1977/78, with the balance being carried forward to the next year.

During the year 1976/77, the board of directors of OMC approved 112 mortgage loans for a total commitment of \$115 million to assist in the production of 4,238 housing units, as detailed in the following table:

Program*	No. of loans			No. of units			Total loans approved — \$000's		
	1974	1975	1976	1974	1975	1976	1974	1975	1976
HOME	140	115	101	5,399	3,751	3,263	105,558	84,018	85,162
PLP	3	18	6	233	485	410	7,244	16,178	14,814
ARHP	6	15	1	1,310	1,140	40	4,779	5,388	233
OHAP	17	13	—	3,647	1,986	—	135,134	71,572	—
Other	—	29	4	—	4,162	525	—	102,401	14,806
	166	190	112	10,589	11,524	4,238	252,715	279,557	115,015

At March 31, 1977 a total of 30,624 mortgage accounts, excluding leases and mortgages managed for OHC, included in the existing mortgage assets, were under management:

	\$000's
HOME	\$401,309
PLP	23,964
ARHP	7,381
OHAP	179,453
Other	65,131
	\$677,238

Administration

The definition and specification of OMC electronic data processing requirements, and the search for a process supplier were successfully concluded during the latter half of 1976. On Jan. 1, 1977, OMC's mortgage accounts were successfully converted from OMC's former process supplier to the facilities of its new process supplier. Specifications for the conversion of OMC's general ledger were subsequently completed and the general ledger was converted on April 1, 1977. The availability of new and proven technology and systems has enabled OMC to further automate many functions.

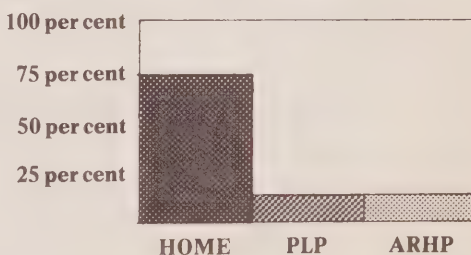
Financial accounting and reporting will now be completed and available earlier, and a very real cost saving, included in the corporate organization, is the reduction of staff from 143 to 108, which savings have been largely achieved through attrition and transfers.

The conversion from HOME leasehold to freehold ownership has progressed according to plan, and OMC expects to conclude with about 7,000—7,500 leases where conversion would not benefit the lessees.

OHC reimburses OMC monthly for fees incurred in administering OHC's HOME Plan lot leases and sundry mortgage programs.

On May 5 and 6, 1976, the OMC board held a regular meeting at Queens' University, Kingston. During the previous year, a board meeting was held at the Town Hall, London, Ont., on Sept. 17 and 18, 1975. These regional meetings have been most beneficial in enabling the directors to meet local builders and politicians, and to inspect housing development financed by OMC.

1976/77 commitments by program



HOME Ownership Made Easy
Preferred Lending Program
Community Integrated Housing Program
Ontario Housing Action Program
Accelerated Rental Housing Program

Ontario Mortgage Corporation

Financial Statements and Report on the Audit Year ended March 31, 1977

ONTARIO MORTGAGE CORPORATION

Balance Sheet
March 31, 1977

	1977	1976
ASSETS		
Cash	\$ 4,358,542	\$ 19,879,956
Funds on deposit with the Treasurer of Ontario	2,706,392	-
Mortgages receivable	<u>690,774,343</u>	<u>525,137,806</u>
	<u>\$697,839,277</u>	<u>\$545,017,762</u>
Assets of mortgage contingency fund (Schedule I)	<u>\$ 8,673,354</u>	<u>\$ 6,464,241</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 1)	\$ 500,580	\$ 1,119,440
Advances from the Treasurer of Ontario	<u>694,039,300</u>	<u>541,315,400</u>
	<u>694,539,880</u>	<u>542,434,840</u>
SHAREHOLDERS' EQUITY		
Capital stock - authorized and issued 10 shares, no par value	10	10
Retained earnings	<u>3,299,387</u>	<u>2,582,912</u>
	<u>3,299,397</u>	<u>2,582,922</u>
	<u>\$697,839,277</u>	<u>\$545,017,762</u>
Reserve of mortgage contingency fund (Schedule I)	<u>\$ 8,673,354</u>	<u>\$ 6,464,241</u>

See notes to financial statements.

On behalf of the Board:

H. M. McQueen Director

G. J. G. G. G. Director

ONTARIO MORTGAGE CORPORATION

Statement of Earnings and Retained Earnings
Year ended March 31, 1977

	Twelve months ended March 31, 1977	Three months ended March 31, 1976 (Note 5)
REVENUE		
Interest (Note 1)	\$59,015,465	\$11,861,221
Other	<u>449,234</u>	<u>120,154</u>
	<u>59,464,699</u>	<u>11,981,375</u>
EXPENSES		
Interest	54,774,807	10,793,283
Administration (Schedule II)	<u>3,120,406</u>	<u>782,942</u>
	<u>57,895,213</u>	<u>11,576,225</u>
EARNINGS FOR THE PERIOD BEFORE EXTRAORDINARY ITEM	1,569,486	405,150
EXTRAORDINARY ITEM		
Mortgage contingency fees (Note 2)	<u>853,011</u>	<u>-</u>
NET EARNINGS FOR THE PERIOD	716,475	405,150
Retained earnings, beginning of period	<u>2,582,912</u>	<u>2,177,762</u>
RETAINED EARNINGS, END OF PERIOD	<u>\$ 3,299,387</u>	<u>\$ 2,582,912</u>

See notes to financial statements.

SCHEDULE I

ONTARIO MORTGAGE CORPORATION

Mortgage Contingency Fund
Year ended March 31, 1977

		1977	1976
ASSETS			
Cash		\$ 51,012	\$ 80,351
Due (to) from Ontario Mortgage Corporation		(149,228)	92,896
Securities, at cost, including accrued interest (Market Value \$7,722,595; 1976 - \$5,398,677)		8,027,277	6,116,443
Mortgages receivable acquired from sale of real estate, including accrued interest		465,257	141,356
Real estate acquired by foreclosure, at cost		<u>279,036</u>	<u>33,195</u>
		<u>\$8,673,354</u>	<u>\$6,464,241</u>
RESERVE			
	Year ended March 31, 1977	1977	1976
Fees	\$ 913,911	\$6,247,217	\$5,333,306
Interest	632,135	1,736,908	1,104,773
Real estate acquired through settlement of claims	<u>642,238</u> 2,188,284	<u>840,390</u> 8,824,515	<u>198,152</u> 6,636,231
Gain (Loss) on operation and sale of real estate	<u>(189,944)</u> 1,998,340	<u>(163,782)</u> 8,660,733	<u>26,162</u> 6,662,393
Less: Claims paid including expenses	<u>642,238</u> 1,356,102	<u>840,390</u> 7,820,343	<u>198,152</u> 6,464,241
Add: Fees received from Ontario Mortgage Corporation (Note 2)	<u>853,011</u>	<u>853,011</u>	<u>-</u>
	<u>\$2,209,113</u>	<u>\$8,673,354</u>	<u>\$6,464,241</u>

See notes to financial statements.

SCHEDULE II

ONTARIO MORTGAGE CORPORATION

Administration Expenses
Year ended March 31, 1977

	Twelve months ended March 31, 1977	Three months ended March 31, 1976 (Note 5)
Salaries and benefits	\$1,504,445	\$350,862
General and office services	1,422,285	396,493
Transportation and communication	49,766	12,985
Supplies and equipment (Note 3)	<u>143,910</u>	<u>22,602</u>
	<u>\$3,120,406</u>	<u>\$782,942</u>

See notes to financial statements.

ONTARIO MORTGAGE CORPORATION

Notes to Financial Statements

March 31, 1977

1. INTEREST

In the provision of primary and secondary financing for moderate income families, the Corporation's interest lending rates are set by the Province of Ontario. Where lending rates are lower than the Corporation's borrowing rates, resulting losses arising from such lending at negative interest margins are provided for in provincial annual estimates. For the year ended March 31, 1977, estimated negative margin losses, amounting to \$1,600,000, were recovered through the estimates process, and \$1,436,860 of this amount has been included in interest revenue. The balance of \$163,140 is included in accounts payable and will be repaid to the Treasurer of Ontario during the next fiscal year.

2. MORTGAGE CONTINGENCY FUND

During the year, contingency fees of \$853,011 were paid by the Corporation to the Mortgage Contingency Fund to cover first and second mortgages with a principal value of \$69,610,732. The fees covered mortgages previously excluded from the Fund and low cost family rental housing mortgages financed during the year for which no contingency fees were chargeable.

Fees, amounting to approximately \$174,000, will be paid by the Corporation to the Fund during the next fiscal year to cover low cost family rental housing mortgage disbursements in the year.

3. SUPPLIES AND EQUIPMENT

Furniture and equipment purchases for general office use are charged to supplies and equipment in the year of acquisition.

4. REMUNERATION OF DIRECTORS AND SENIOR OFFICER

The aggregate direct remuneration for the seven directors and one senior officer for the year ended March 31, 1977 was \$64,942.

5. CHANGE OF YEAR END

In accordance with a Board of Directors' resolution, dated March 4, 1976, subsequently confirmed at a general meeting of the shareholders, a By-law was enacted changing the year end date of the Corporation from December 31 to March 31.

6. ANTI-INFLATION LEGISLATION

Pursuant to the terms of an agreement between the Province of Ontario and the Government of Canada, the Corporation is subject to controls on compensation instituted by the Government of Canada in the Anti-Inflation Act, effective October 14, 1975.



Office of
Provincial
Auditor

416/965-1381

Parliament Buildings
Queen's Park
Toronto Ontario
M7A 1A2


To the Shareholders of Ontario Mortgage Corporation

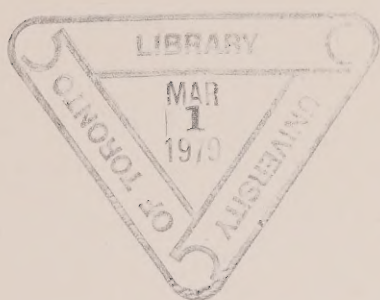
I have examined the balance sheet of Ontario Mortgage Corporation as at March 31, 1977 and the statement of earnings and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1977 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

A report on the audit has been made to Ontario Mortgage Corporation and to the Minister of Housing.

Toronto, Ontario,
June 10, 1977.


F.N. Scott, C.A.,
Provincial Auditor.





Ontario

Ministry of
Housing